

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

UNITED STATES OF AMERICA,
Plaintiff,

v.

1. **CARLOS GUTIERREZ NARANJO,**
a.k.a. "Canigua,"
a.k.a. "El Gordo,"
2. **FEDERICO NARANJO ROSA,**
a.k.a. "Papo,"
3. **ISRAEL RUIZ CACERES,**
a.k.a. "El Viejo,"
a.k.a. "Pai,"
4. **LUIS RIVERA ROSARIO,**
a.k.a. "Negri,"
5. **FABIO DE JESUS VALENCIA,**
a.k.a. "Tio,"
6. **LUIS PEREZ MALDONADO,**
a.k.a. "IA,"
7. **GABRIEL MORALES MADERA,**
a.k.a. "Jan,"
8. **JUAN DOMENECH RODRIGUEZ,**
a.k.a. "Puchito,"
9. **HUMBERTO REYES PEREZ,**
a.k.a. "Cuca,"
10. **ORLANDO HERNANDEZ,**
11. **CARLOS COLLAZO ARROYO,**
a.k.a. "Carli,"

* CRIM. NO. 97-271 (ccc)
* I N D I C T M E N T

* Title 21, United States Code,
* Sections 846 and 853.
* Title 18, United States Code,
* Sections 922 (k), 924 (a) (1) (B),
* 922 (o), 924 (a) (2) and 2.

FOUR COUNTS

U.S. DISTRICT COURT
SAN JUAN, P.R.

97 DEC 10 PM 5:37

RECEIVED & FILED

(1)

12.	RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo,"	*
		*
		*
13.	MIGUEL IZAGAS CRUZ, a.k.a. "Chuco,"	*
		*
		*
14.	JULIO ENRIQUE NIEVES NARANJO, a.k.a. "Kikito,"	*
		*
		*
15.	EVERALDO BURGOS, RODRIGUEZ, a.k.a. "Eve,"	*
		*
		*
16.	JESUS TORO SANTIAGO, a.k.a. "Chu,"	*
		*
		*
17.	JOSE MONTAÑEZ ROSADO, a.k.a. "Che,"	*
		*
		*
18.	JUAN RAFAEL ANDUJAR HERRERA, a.k.a. "Rafi,"	*
		*
		*
19.	JORGE M. GOMEZ FELIZ, a.k.a. "Felix,"	*
		*
		*
20.	FABIAN CLAUDIO NARANJO, a.k.a. "Fanny," a.k.a. "Sabrosa," a.k.a. "Papito,"	*
		*
		*
		*
21.	ANGEL LUIS VILLODAS LAUREANO, a.k.a. "Guilo,"	*
		*
		*
22.	LISANDRO PEREZ CARRASQUILLO, a.k.a. "Sandro,"	*
		*
		*
23.	ANGEL CHEVERE GONZALEZ, a.k.a. "Chevere,"	*
		*
		*
24.	EMILIO GONZALEZ NUÑEZ,	*
		*
		*

Defendants.

IndictmentU.S.A. v. Carlos Gutierrez Naranjo, et al.

Page 3

THE GRAND JURY CHARGES:

COUNT ONE

Beginning on or about December 1994, the exact date being unknown to the Grand Jury, and continuing up to and until the return of this indictment, in the District of Puerto Rico, and elsewhere, the defendants:

1. **CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua,"
a.k.a. "El Gordo,"**
2. **FEDERICO NARANJO ROSA, a.k.a. "Papo,"**
3. **ISRAEL RUIZ CACERES, a.k.a. "El Viejo,"
a.k.a. "Pai,"**
4. **LUIS RIVERA ROSARIO, a.k.a. "Negri,"**
5. **FABIO DE JESUS VALENCIA, a.k.a. "Tio,"**
6. **LUIS PEREZ MALDONADO, a.k.a. "IA,"**
7. **GABRIEL MORALES MADERA, a.k.a. "Jan,"**
8. **JUAN DOMENECH RODRIGUEZ, a.k.a. "Puchito,"**
9. **HUMBERTO REYES PEREZ, a.k.a. "Cuca,"**
10. **ORLANDO HERNANDEZ,**
11. **CARLOS COLLAZO ARROYO, a.k.a. "Carli,"**
12. **RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo,"**
13. **MIGUEL IZAGAS CRUZ, a.k.a. "Chuco,"**
14. **JULIO ENRIQUE NIEVES NARANJO, a.k.a. "Kikito,"**
15. **EVERALDO BURGOS RODRIGUEZ, a.k.a. "Eve,"**
16. **JESUS TORO SANTIAGO, a.k.a. "Chu,"**
17. **JOSE MONTAÑEZ ROSADO, a.k.a. "Che,"**
18. **JUAN RAFAEL ANDUJAR HERRERA, a.k.a. "Rafi,"**
19. **JORGE M. GOMEZ FELIZ, a.k.a. "Felix,"**
20. **FABIAN CLAUDIO NARANJO, a.k.a. "Fanny,"
a.k.a. "Sabrosa," a.k.a. "Papito,"**
21. **ANGEL LUIS VILLODAS LAUREANO, a.k.a. "Guilo,"**
22. **LISANDRO PEREZ CARRASQUILLO, a.k.a. "Sandro,"**
23. **ANGEL CHEVERE GONZALEZ, a.k.a. "Chevere,"**

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 4

together and with others, known and unknown to the Grand Jury, did knowingly, intentionally, willfully, and unlawfully conspire, combine, confederate, and agree together and with each other, to knowingly, intentionally and unlawfully possess with intent to distribute and distribute:

- a) five (5) kilograms or more, the exact amount being unknown, of a mixture and substance containing a detectable amount of cocaine, a Schedule II Narcotic Drug Controlled Substance;
- b) one (1) kilogram or more, the exact amount being unknown, of a mixture and substance containing a detectable amount of heroin, a Schedule I Narcotic Drug Controlled Substance; and
- c) multi-pound quantities, the exact amount being unknown, of a mixture and substance containing a detectable amount of marijuana, a Schedule I Controlled Substance.

All in violation of Title 21, United States Code, Section 846.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 5****OBJECTS OF THE CONSPIRACY**

It was one of the objects of the conspiracy that the defendants and their co-conspirators would arrange for, plan and import multiple kilogram quantities of cocaine and heroin into the United States, particularly Puerto Rico, for the purpose of distributing cocaine and heroin in Puerto Rico and cocaine in New York.

It was also one of the objects of the conspiracy that the defendants and their co-conspirators would derive substantial income from the sale of large quantities of cocaine, heroin and marijuana.

MANNER AND MEANS USED TO FURTHER THE OBJECTS OF THE CONSPIRACY

The following were among the means used by the defendants and their co-conspirators to carry out the objects of the conspiracy and to ensure the success of their criminal organization (also referred to as the "CANIGUA ORGANIZATION"):

1. It was part of the conspiracy that the defendants and their co-conspirators arranged for multi-kilogram quantities of cocaine and heroin to be transported from the Dominican Republic to Puerto Rico and for cocaine to be transported from Puerto Rico to New York.

2. It was part of the conspiracy that the defendants and their co-conspirators would distribute cocaine, heroin and marijuana in the District of Puerto Rico, frequently on consignment.

3. It was a further part of the conspiracy that the defendants and their co-conspirators would keep each other apprised of their drug trafficking activities, including plans for distribution of drugs and also share information concerning current drug prices for distribution in Puerto Rico.

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 6

4. It was a further part of the conspiracy that the defendants and their co-conspirators would use pagers and cellular telephones to communicate with each other for the purpose of facilitating their drug trafficking.

5. It was a further part of the conspiracy that the defendants and their co-conspirators would use veiled or coded references in their telephone and other conversations to describe their drug trafficking transactions.

6. It was a further part of the conspiracy that the defendants and their co-conspirators would use aliases and other means to avoid detection by law enforcement authorities, including the use of counter-surveillance techniques.

7. It was a further part of the conspiracy that the defendants and their co-conspirators would at various times during the conspiracy play different roles, perform different functions and take upon themselves different tasks in furtherance of the "CANIGUA ORGANIZATION's" drug trafficking activities.

8. It was a further part of the conspiracy that the defendants and their co-conspirators would possess firearms including assault rifles to protect their drug trafficking activities from rival organizations.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 7

OVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, the defendants and their co-conspirators committed, among others, the following overt acts in the District of Puerto Rico and elsewhere:

1. On April 4, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls an unindicted co-conspirator a.k.a. "ERIC INGRAM" and they discuss the price of drugs that "PAPO" is selling. "ERIC INGRAM" tells "Papo" "that thing is very good" ("aquellos están bien buenos") but that "they wanted it cheaper" ("lo quieren más barato") at a "thousand two." "Papo" says to tell them no.
2. On April 5, 1997, JOHN DOE I, a.k.a. "Canito," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," because they are saying that the guys have some drugs ("tires"). "Papo" says that is a lie because they are outside of Puerto Rico ("están por allá afuera").
3. On April 5, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls LUIS RIVERA ROSARIO, a.k.a. "Negri," and they discuss wholesale prices they must pay for multi-kilogram amounts of cocaine in comparison to the retail price they expect to charge for each kilogram of cocaine ("cars" and "gears").
4. On April 7, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls "JUAN RAFAEL ANDUJAR HERRERA," a.k.a. "Rafi," to discuss how to deliver the money proceeds from their drug trafficking business. "Papo" tells "Rafi" that he wants the guy to have "the money ...

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 8

the clothes over there" ("los chavos ... la ropa allá"). "Rafi" says that "they already sent the checks over there ("nosotros mandamos ya los cheques pa allá").

5. On April 9, 1997, "JOSE MONTANEZ-ROSADO, a.k.a. "Che," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and advises "Papo" that if "Papo" needs some money, there is some there and that "Don Rafo" gave "Che" "sixty two and a half (62 1/2)."

6. On April 10, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and asks CARLOS GUTIERREZ if they can lend him ("Papo") forty thousand dollars (\$40,000). "Papo" tells "CARLOS GUTIERREZ" that he needs "forty (\$40) pesos" now and he will pay it back "little by little." "Papo" explains that he is throwing a party for the boy, and that he ("Papo") has to get "forty (\$40) pesos" and give "ten (\$10) pesos" to the boy as a gift. "Canigua" tells "Papo" that they will talk in person.

7. On April 11, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls LUIS PEREZ MALDONADO, a.k.a. "IA," in the Dominican Republic and asks "IA" to get him forty thousand dollars (\$40,000). "Papo" tells "IA" that he ("Papo") is coming to the Dominican Republic tomorrow and to pay the kids "forty (\$40) pesos" and that he will pay "IA" back upon his arrival. "Papo" also tells "IA" not to charge him interest.

8. On April 11, 1997, JUAN RAFAEL ANDUJAR HERRERA, a.k.a. "Rafi" calls FEDERICO NARANJO ROSA, a.k.a. "Papo" who tells "Rafi" that the guy was going to begin the construction this week and that he needs at least forty thousand (\$40,000) dollars ("40 lifting jacks")

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 9

because "the roof is big." "Rafi" tells "Papo" that he is waiting for the guy to call him. "Papo" says he is doing his best, but if the jacks ("gatos") are rented, he will not be able to do anything.

9. On April 11, 1997, RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo," a.k.a., calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who discusses with "Vejillo" how "Vejillo" is doing with drugs that "Papo" gave "Vejillo" to sell. "Papo" asks "Vejillo" if he has any money and "Vejillo" responds not yet.

10. On April 11, 1997, GABRIEL MORALES MADERA, a.k.a. "Jan," calls American Airlines reservations and books a flight for himself and FEDERICO NARANJO ROSA, a.k.a. "Papo," from San Juan to Santo Domingo on April 11, 1997, with a return date of April 13, 1997, to San Juan.

11. On April 11, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls LUIS PEREZ MALDONADO, a.k.a. "IA," and tells "IA" which flight to Santo Domingo "Papo" will be arriving on so that "IA" can pick him up at the airport. "Papo" also tells "IA" that he "spoke to his friend and that he has to send forty thousand dollars ("forty (\$40) pesos") for the "kids" ("nenes") and that they have until tomorrow night to pay the money.

12. On April 13, 1997, JOSE MONTANEZ ROSADO, a.k.a. "Che," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and they discuss the drug debt of "Don Rafa." "Papo" asks if "Don Rafa" paid "Che" the money and "Che" responds that he did, but that thing is missing ("si pero falta aquello").

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 10

13. On April 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JOHN DOE No. 2, a.k.a. "Máximo," not charged herein, in the Dominican Republic and they discuss the quality of the drugs ("the dollar" and "the spurs") that they are distributing and future shipments of drugs from the Dominican Republic to Puerto Rico.

14. On April 15, 1997, FEDERICO NARANJO ROSA, a.k.a "Papo," calls GABRIEL MORALES MADERA, a.k.a. "Jan," and they discuss the quality of heroin samples that were given to the drug addicts and returning bad drugs to "Máximo." "Jan" tells "Papo" that he gave it to the "skinny girl" ("flaquita") and told her to give it to the "junkies" ("tipos de venas") "Jan" says that one says that it was "regular" and the other says that is it not. "Jan" says that he spoke to "Máximo" and told "Máximo" that he is going bring it back.

15. On April 16, 1997, RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Vejillo" that he ("Máximo") has drugs ("five pairs of tennis shoes") and that he ("Máximo") guarantees at least "fifteen."

16. On April 15, 1997, GABRIEL MORALES MADERA, a.k.a. "Jan," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and tells "Papo" that one of their drug dealers (the old man from the liquor store) lost twenty (20) kilograms of cocaine ("parts" and "cars") that he had received on consignment. "Jan" informs "Papo" that the old man from the liquor store needs to know the price for the "twenty parts" that disappeared and that have not yet been paid to "Hacienda." "Papo" tells "Jan" that he will speak to "CARLOS" to get a price for the "cars."

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 11**

17. On April 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and informs CARLOS GUTIERREZ about his telephone conversation with "Jan." CARLOS GUTIERREZ tells "Papo" that his cost for each kilogram of cocaine was fourteen thousand (\$14,000) dollars ("fourteen"). "Papo" asks CARLOS GUTIERREZ how much "CARLOS" is going to charge those people for the "pants." "CARLOS" says that he has each one at "fourteen." "CARLOS" tells "Papo" that he "wants them to pay for all those at "fourteen."

18. On April 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls GABRIEL MORALES MADERA, a.k.a. "Jan," and tells "Jan" to settle with the old man at the liquor store for fifteen thousand (\$15,000) dollars per kilogram.

19. On April 18, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls GABRIEL MORALES MADERA, a.k.a. "Jan," and they again discuss the drug debt involving the old man at the liquor store. "Jan" tells "Papo" that he wants "Canigua" to call him because "the kid" has proposed a settlement for resolving the debt. "Jan" tells "Papo" that "the kid" told him that he could pay "thirty thousand" right now and another amount the following week and so forth. "Papo" tells "Jan" to be quiet because his ("Papo's") telephone may be tapped ("si tengo el número tapiao?") and for "Jan" to talk in code ("hable en clave ahí").

20. On April 16, 1997, FABIO DE JESUS VALENCIA, a.k.a. "Tio," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," from Colombia to discuss delivering the proceeds from the sale of drugs to Colombia. "Tio" tells "Papo" that he needs money. "Papo" tells "Tio" that he has

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 12**

“eighteen (18) pesos” to send him right now but that he needs “Tío” to give him the correct list of names so that “Papo” can send the money. “Tío” tells “Papo” that it is better if “Papo’s” nephew calls “Tío” in order to verify the names that the nephew has.

21. On April 16, 1997, JOSE MONTANEZ ROSADO, a.k.a. “Che,” calls FEDERICO NARANJO ROSA, a.k.a. “Papo,” who advises “Che” that “Tío” called and they have to send the money over there. “Papo” tells “Che” that there should be “nineteen (19),” but that “Che” should verify if there is more.

22. On April 16, 1997, JOSE MONTANEZ ROSADO, a.k.a. “Che,” calls FEDERICO NARANJO ROSA, a.k.a. “Papo,” to inform “Papo” on the amount of proceeds that they have collected from their drug dealers. “Che” tells “Papo” that there are fourteen (14) and if “RAFA” sells “fifty five (55) cars,” there will be “nineteen (19).”

23. On April 16, 1997, FEDERICO NARANJO ROSA, a.k.a. “Papo,” calls FABIAN CLAUDIO NARANJO, a.k.a. “Fanny,” and tells “Fanny” to call “Tío” from Colombia because “Tío” needs “the list of names.”

24. On April 24, 1997, FABIO DE JESUS VALENCIA, a.k.a. “Tío,” calls FEDERICO NARANJO ROSA, a.k.a. “Papo,” from Colombia and they discuss the possibility of doing business together in the Dominican Republic. “Papo” agrees and “Tío” says that “Papo” will need to be there. “Papo” also informs “Tío” that he will send “Tío” more proceeds from drug trafficking. “Papo” tells “Tío” that he will send him the “invitations” (checks or money orders) tomorrow. “Papo” says that he will call his nephew tomorrow because there may be “five or six more invitations”.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 13**

25. On April 26, 1997, FABIO DE JESUS VALENCIA, a.k.a. "Tío," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and asks "Papo if it is possible that when the drugs ("the jeans") arrive, the "shipping" can be paid. "Tío" also tells "Papo" that he spoke to "Papo's" nephew FABIAN CLAUDIO NARANJO, a.k.a. "Fanny", but that the nephew put an incorrect name on one of the "accounts".

26. On April 26, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls FABIAN CLAUDIO NARANJO, a.k.a. "Fanny," and tells "Fanny" to call "Tío" because the last name (in the "invitation") is wrong.

27. On April 17, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and asks "Papo" if "Papo's" nephew has heroin ("cars" and "girls") available. "Chuco" asks if "Papo" has spoken to his nephew (CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua") and if the nephew is "painting" today. "Papo" says that he was just with him and that he "did not paint the car." "Chuco" also asks if "Papo" has "girls." "Papo" says that they were all contracted by the Black Angus, but two are still available at the Lucky 7.

28. On April 19, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and purchases one hundred and twenty-five (125) grams ("one girl") of heroin from "Papo." "Papo" then asks "Chuco" if "Papo" should bring him a whole one, a big one or a small one ("¿te llevo una entera? ¿O en grande, la grande? ¿Te llevo una grande o te llevo una chiquita?"). "Chuco" answers "one hundred twenty five (125)." "Papo" will bring him a big one ("la grande").

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 14

29. On April 19, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," who tells "Papo" that he now wants "two girls" (instead of one).

30. On April 19, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," to renegotiate the price for the heroin (the "two girls") that he is buying in order to buy more. "Chuco" asks "Papo" to adjust the price so he ("Chuco") can take "four girls." "Papo" tells "Chuco" that he will see what he can do.

31. On April 20, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Chuco" that the price is nine thousand (\$9,000) dollars for one hundred and twenty five (125) grams of heroin. "Papo" tells "Chuco" that he has the "girl" and that "she" is going to charge "Chuco" only "ninety (90) dollars" for "125 hours." "Chuco" asks what "Papo" means by "ninety (90) dollars." "Papo" says nine per hour for 125, that she wants ... "nine thousand" ("pues los nueve. ¿No es nueve por hora? Por los 125...era 125, ¿verdad? Pues ella lo que quiere pues son neve ... nueve pesos por hora. Nueve mil").

32. On April 20, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls RUBEN SALAZAR GONZALEZ a.k.a. "Vejillo," who asks "Papo" if "Papo" is going to take him ("Vejillo") the drugs ("the complete car.")

33. On April 24, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and tells "Papo" that all the "NARANJOS" have to be careful and "Papo" must have that "chambered and ready" ("chamboneao y tó").

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 15

34. On April 27, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo," and asks "Vejillo" if "Vejillo" took the heroin "horsefeed". "Vejillo" responds that the guy obtained it for less. "Papo" tells "Vejillo" to bring it to "Papo" and "Papo" will take it somewhere else.

35. On April 28, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and they discuss a drug debt of two hundred and eighty thousand (\$280,000) dollars ("two hundred and eighty pesos") owed to CARLOS GUTIERREZ by one of his customers. "Papo" tells "CARLOS GUTIERREZ" that the guy will make a payment of "forty five (45) pesos" to "Jan."

36. On April 29, 1997, JOHN DOE 2, "a.k.a. Máximo," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a "Papo," and tells "Papo" that the guy called him and told him that they had heroin ("five tires") and they are giving them at "one hundred (100) and something."

37. On April 29, 1997, FEDERICO NARANJO ROSA, a.k.a "Papo," calls GABRIEL MORALES MADERA, a.k.a. "Jan," and tells "Jan" that "Felix's" brother called him and said that he had "five wide white wall tires for the Corvette."

38. On April 29, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Negri" that the guy from over there has the "five white wall tires."

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 16

39. On April 29, 1997, FEDERICO NARANJO ROSA, a.k.a "Papo," calls JESUS TORO SANTIAGO, a.k.a. "Chu," and advises "Chu" that he weighed the drugs and they are a few grams short. "Papo" says that he cleaned the patio and "what was left was 4-96, 97"

40. On April 30, 1997, FEDERICO NARANJO ROSA, a.k.a "Papo," calls JOHN DOE 2, a.k.a. "Máximo," not charged herein, in the Dominican Republic to discuss the purchase of heroin ("tires"). "Máximo" tells "Papo" that there are only "four and a half (4 1/2) tires left." "Papo" tells "Máximo" that they will buy the "four (4) whole tires" at "sixty three (63) pesos" each.

41. On April 30, 1997, LUIS PEREZ MALDONADO, a.k.a. "IA," calls FEDERICO NARANJO ROSA, a.k.a "Papo," and tells "Papo" to have different people buy the airline tickets separately so that they cannot be tracked by the authorities.

42. On May 1, 1997, JOHN DOE 2, a.k.a., "Máximo," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Máximo" that they are returning the heroin ("three candies"). Máximo responds that the guy is waiting for "Papo" "with that stuff, the white walls" ("pa' la vaina esa, las bandas blancas").

43. On May 1, 1997, RUBEN SALAZAR GONZALEZ, a.k.a. "Vejillo," calls FEDERICO NARANJO ROSA, a.k.a "Papo," and they have a discussion about how to package the bad heroin ("old money") that must be returned. "Papo" tells "Vejillo" that it is better to package it the same way so whoever is taking it does not find out what is inside the packages.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 17

44. On May, 1, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls American Airlines and makes himself a reservation to fly to the Dominican Republic on May 1, 1997 and return on Sunday, May 4, 1997 for himself, his cousin, and GABRIEL MORALES MADERA, a.k.a. "Jan."

45. On May 1, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and they discuss how to count the money. "Negri" tells "Papo" that the "machine" is not there. "Papo" responds, "leave the grass like that." "Negri" says that they can verify it by hand.

46. On May 1, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls GABRIEL MORALES MADERA, a.k.a. "Jan," and tells "Jan" that "Negri" is counting the money and there are "one hundred (100) pesos missing." "Jan" disagrees and says that he ("Jan") counted it and there was "thirty nine (39)." "Papo" also advises "Jan" that Máximo called him, that they have the heroin ("size 15 "wide white wall tires") over there.

47. On May 2, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JOSE MONTAÑEZ ROSADO, a.k.a. "Che," and they discuss returning the bad heroin ("the money")("los chavos"), "that payment"("ese pago") and "that machine" ("esa máquina")). "Papo" tells "Che" to give the "money" that he ("Che") received from "Chuco" to "Ruben." "Papo" elaborates that "Ruben" is going to make that "payment," he is going to return the "payment," because that "machine" did not turn out well and has to be returned to the "company."

48. On May 8, 1997, JORGE M. GOMEZ FELIZ, a.k.a. "Felix," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and tells "Papo" that he has a kilogram of heroin ("a transformer")

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 18

that he wants "Papo" to see. "Felix" tells "Papo" that they are selling a "transformer" that uses oil for "eighty five (85) pesos."

49. On May 9, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls ANGEL LUIS VILLODAS LAUREANO, a.k.a. "Guilo," who negotiates with "Papo" to buy one sixteenth (1/16) of a kilogram of heroin ("the little finger") for "five thousand three hundred and sixty (5,360.00) dollars." "Guilo" asks "Papo" if "Papo" has a "little finger" ("deito"). "Papo" says that he does and that there are some over there. "Papo" agrees to sell "Guilo" "one half of one twenty five (125) for around 5360" ("el mediante de ... 125 ... 5360 por ahí").

50. On May 14, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JORGE GOMEZ FELIZ, a.k.a. "Félix," who tells "Papo" that they offered him heroin ("two (2) small cars") at "ten and a half" ("me lo están dando a diez y medio dos carritos").

51. On May 14, 1997, JORGE M. GOMEZ FELIZ, a.k.a. "Félix," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and offers to sell "Papo" heroin ("Budweiser"). "Félix" offers "Papo" "two of these" at "ten and a half". "Papo" asks if it is "Budweiser." "Félix" responds, "yes, beautiful."

52. On May 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," who tells "Papo" to tell "Chuco" that "CARLOS GUITIERREZ" has kilograms of cocaine at twenty five thousand (\$25,000) dollars ("little shoes at "25"), but will give them to "Chuco" at "24."

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.
Page 19

53. On May 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," who instructs "Papo" to give the kilogram of cocaine at \$26,000 or \$27,000 ("26" or "27") to "Cano."

54. On May 15, 1997, JOHN DOE 1, a.k.a. "Canito," a.k.a. "Cano," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Cano" that he has some kilograms of cocaine for twenty six thousand (\$26,000) dollars ("tires" for "size 26 rim" at "26").

55. On May 15, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Chuco" that he has kilograms of cocaine ("Coca-Cola remote control cars") at "twenty six (26) pesos per small car" ("está pa' veintiséis pesos el carrito"). "Chuco" complains about the price and "Papo" agrees to give each one at "twenty five (25) pesos."

56. On May 15, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls an unindicted co-conspirator ("Alejandro") and offers him kilograms of cocaine (some used "mudguards") at "26," "the ones that say Coca-Cola on the sides" ("de los que dicen Coca-Cola a los laos").

57. On May 15, 1997, an unindicted co-conspirator calls FEDERICO NARANJO ROSA a.k.a. "Papo," and "Papo" offers him kilograms of cocaine ("small remote control cars") that say Coca-Cola on the sides at "twenty six (26) pesos ."

58. On May 15, 1997, JOHN DOE 1, a.k.a. "Canito," a.k.a. "Cano," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and "Papo" offers him kilograms of cocaine ("whole engines") at "two thousand six hundred (2,600), at twenty six (26)."

IndictmentU.S.A. v. Carlos Gutierrez Naranjo, et al.

Page 20

59. On May 15, 1997, RUBEN SALAZAR GONZALEZ, a.k.a. "Ruben," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and "Papo" offers him kilograms of cocaine ("cases of Heineken beer") at "two-six (2-6)"

60. On May 15, 1997, an unindicted co-conspirator calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and "Papo" offers the unindicted co-conspirator kilograms of cocaine ("cases of Budweiser beer") at "twenty-six (26) pesos."

61. On May 16, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JESUS TORO SANTIAGO, a.k.a. "Chu," and offers "Chu" kilograms of cocaine ("small windows") at "26."

62. On May 16, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JORGE M. GOMEZ FELIZ, a.k.a. "Félix," and offers "Félix" kilograms of cocaine ("boxes of white crystals") at "26." "Papo" also tells "Félix" to call him as soon as possible because "there is one hundred (100)."

63. On May 16, 1997, JORGE M. GOMEZ FELIZ, a.k.a. "Felix," calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and tells "Papo" to bring "two (2) small boxes" ("dos (2) cajitas").

64. On May 16, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls LUIS RIVERA ROSARIO, a.k.a. "Negri," and asks "Negri" if he still has kilograms of cocaine ("small boxes of blocks") because he offered them to the man from the hardware store. "Papo" also says that he will give each box at "twenty-four (24) pesos."

65. On May 17, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls ANGEL CHEVERE GONZALEZ, a.k.a. "Chévere," who tells "Papo" that he heard "Papo" has some

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 21

kilograms of cocaine ("soda cases"). "Papo" responds that he has "crystal blocks there at 26." "Chévere" says that he wants "two (2)."

66. On May 20, 1997, JOHN DOE 3, a.k.a. "Mingo," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo" and they discuss the delivery of heroin ("ceramic dolls") to "Papo." "Mingo" tells "Papo" that the "ceramic dolls" ("muñecas de cerámica") cost "seventy (70) Dominican pesos" and must be paid for in "cash" ("cachirulo"). "Mingo" agrees that he ("Mingo") and "Máximo" will deliver the "ceramic dolls" to "El Senador."

67. On May 20, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JESUS TORO SANTIAGO, a.k.a. "Chú," and tells "Chú" that the kilograms of cocaine ("faceless dolls") were at "twenty six (26) pesos" but now can be had for "twenty five (25 1/2) and a half pesos."

68. On May 20, 1997, JOHN DOE 1, a.k.a. "Canito," a.k.a. "Cano," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," and asks how much are the twenty (20) kilograms of cocaine ("twenty (20) engines") for "the small whole cars" ("los carritos esos de, de...¿completos?"). "Papo" says he will call "Canito" back in a half an hour.

69. On May 20, 1997, approximately five minutes after the telephone conversation in Overt Act No. 68, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls LUIS RIVERA ROSARIO, a.k.a. "Negri," and tells "Negri" that he ("Papo") needs "twenty (20) pesos." Negri asks "Papo" if he means "twenty (20) pesos of the large ones?" ("¿veinte pesos de los grandes?"). "Negri" responds that there are none.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 22

70. On May 20, 1997, JOHN DOE, 1 a.k.a. "Canito," a.k.a "Cano," not charged herein, calls FEDERICO NARANJO ROSA, a.k.a. "Papo," who tells "Canito" that there are no small cars left ("se acabaron los carritos").

71. On May 22, 1997, FEDERICO NARANJO ROSA, a.k.a. "Papo," calls JOHN DOE 2, a.k.a. "Máximo," not charged herein, and tells "Máximo" that he is going to return some bad drugs. "Papo" tells "Máximo" that nobody wants "those dolls" and that he is going to return "the things."

72. On April 18, 1997, JUAN DOMENECH RODRIGUEZ, a.k.a. "Picho," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and they discuss the difficulties they are having in obtaining drugs. CARLOS GUTIERREZ asks "Picho" why there is no work. "Picho" tells CARLOS that he believes that they will win next week ("la semana que viene creo que ganamos").

73. On April 19, 1997, an unindicted co-conspirator, a.k.a. "Cuqui," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and tells CARLOS GUTIERREZ that some people are following him ("Cuqui") in order to shoot him. CARLOS GUTIERREZ and "Cuqui" then discuss how they are going to retaliate. "Cuqui" also tells CARLOS GUTIERREZ that "Sandro" is making some money selling drugs ("octavitos") for a guy in Cataño ("Vietnam").

74. On April 20, 1997, JUAN DOMENECH RODRIGUEZ, a.k.a. "Picho," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and they discuss how they are going to obtain drugs. CARLOS GUTIERREZ and "Picho" talk about calling the Dominican tomorrow to

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 23**

see if there is anything over there for purchase. "Pucho" also asks CARLOS GUTIERREZ to lend him drugs ("Five (5) big ones") and tells CARLOS GUTIERREZ that "El Viejo" will give them to "Pucho" later.

75. On April 22, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls CARLOS COLLAZO ARROYO, a.k.a. "Carli," who advises CARLOS GUTIERREZ that they were selling cocaine for "eighteen and a half (18 1/2)" and that he has a couple of people lined up to buy them at "twenty four (24)."

76. On April 25, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls LUIS PEREZ MALDONADO, a.k.a. "IA," and asks "IA" if he needs firearms. "IA" answers that he has "a pair of the long ones over there" and asks CARLOS GUTIERREZ if he has any in "Vietnam" (Barrio in Cataño). CARLOS GUTIERREZ responds that he does but says that he has "six (6) small ones." "IA" says that he has the "short ones," but what "IA" needs are the "Perras"(AK 47 Assault Rifles).

77. On May 3, 1997, CARLOS COLLAZO ARROYO, a.k.a. "Carli," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," who tells "Carli" to buy one or two kilograms of cocaine. "Carli" tells CARLOS GUTIERREZ that a guy has "some pieces at twenty two and a half (22 1/2)." CARLOS GUTIERREZ instructs "Negri" to buy "one ... Or two."

78. On May 9, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls CARLOS GUTIERREZ who instructs "Negri" to pay a drug debt of four hundred thousand dollars (400,000) ("four hundred (400) pesos") to "El Viejo."

IndictmentU.S.A. v. Carlos Gutierrez Naranjo, et al.

Page 24

79. On May 10, 1997, CARLOS GUTIERREZ NARANJO, a.k.a "Canigua," calls LISANDRO PEREZ, a.k.a. "Sandro," and agrees to purchase pounds of marijuana ("marimba") for "Sandro." CARLOS GUTIERREZ tells "Sandro" that the only thing that he can find is "marimba" and that it is at "one thousand and three (1,003)."

80. On May 13, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls ISRAEL RUIZ CACERES, a.k.a. "El Viejo," a.k.a. "El Pai," in Miami, Florida and they discuss bringing in a shipment of drugs. CARLOS GUTIERREZ asks "El Viejo" what is going on with his proposal for bringing in "at least twenty (20) or twenty five (25)." .

81. On May 13, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls HUMBERTO REYES PEREZ, a.k.a. "Cuca," in Miami, Florida to discuss shipping drugs from Miami to New York. CARLOS GUTIERREZ tells "Cuca" that he has people in Miami who are ready "to go up to New York." CARLOS GUTIERREZ also says he wants to begin with "twenty five (25)."

82. On May 15, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and they discuss the price of several kilograms of cocaine. "Negri" tells CARLOS GUTIERREZ that "El Pollito" called him ("Negri") and said that there where some jobs at "twenty five (25)," and that he has one hundred (100) kilograms ("one (one hundred pesos"). CARLOS GUTIERREZ says that it is too much and instructs "Negri" to call "Carli" and tell "Carli" at "twenty six (26) and twenty seven (27)."

Indictment

U.S.A. v. Carlos Gutierrez Naranjo, et al.

Page 25

83. On May 15, 1997, JUAN DOMENECH RODRIGUEZ, a.k.a. "Pucho," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and tells CARLOS GUTIERREZ that he is waiting for the drugs to arrive from "El Viejo."

84. On May 15, 1997, JUAN DOMENECH RODRIGUEZ, a.k.a. "Pucho," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and advises CARLOS GUTIERREZ that "Pollero" has one hundred (100) kilograms of cocaine and that the price for each kilogram is twenty thousand (\$20,000) dollars. "Pucho" tells CARLOS GUTIERREZ "that we won one hundred (100)" ("es cien que ganamos") and "they want twenty (20) for each one"

85. On May 15, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua" who tells "Negri" that they must sell each kilogram of cocaine for twenty five thousand (\$25,000) dollars ("25"), not twenty seven thousand (\$27,000) dollars ("27"), and they bought it for twenty thousand (\$20,000) dollars ("20").

86. On May 15, 1997, JUAN DOMENECH RODRIGUEZ, a.k.a "Pucho," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and tells CARLOS GUTIERREZ that whatever "Pucho" earns is for both them. CARLOS GUTIERREZ tells "Pucho" that he already sold a pair ("yo tengo un par ya vendí").

87. On May 15, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls ORLANDO HERNANDEZ and they discuss an increase in the price of the kilograms of cocaine that they are selling for twenty three thousand five hundred (23,500) dollars ("23 ½"). "Negri" tells CARLOS

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.**Page 26**

GUTIERREZ that the price quoted by "Pucho" does not exist and that they are going to receive it at "twenty three and a half" ("dos tres y medio").

88. On May 16, 1997, ORLANDO HERNANDEZ calls HUMBERTO REYES PEREZ, a.k.a. "Cuca," who tells ORLANDO HERNANDEZ that "El Viejo" is upset with "CARLOS Canigua" because there have been some discrepancies in "Canigua's" payments for drugs to "El Viejo" on two separate occasions. "Cuca" tells ORLANDO HERNANDEZ that one time the discrepancy was "thirty (30)" and the other time it was "twenty (20) and something."

89. On May 16, 1997, CARLOS COLLAZO ARROYO, a.k.a. "Carli," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," who offers "Carli" kilograms of cocaine at "twenty five (25)" ("llegaron unos carritos ahí pero a veinticinco"). "Carli" also advises CARLOS GUTIERREZ that "Cuca" had "ten spark plugs" for CARLOS GUTIERREZ at "twenty three and a half (23 1/2)."

90. On May 16, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and they discuss the prices for receiving multi-kilogram amounts of cocaine from different sources. "Negri" advises CARLOS GUTIERREZ that "Cuca" will give "ten (10) lollipops" ("diez (10) paletitas") at "twenty three and a half (23 1/2)" and "El Pollito" will give "ten" more and "Pucho" has "five" at "twenty three (23)." CARLOS GUTIERREZ tells "Negri" that he is going to call "El Viejo" and ask "El Viejo" how much he will sell it for.

IndictmentU.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 27

91. On May 16, 1997, CARLOS COLLAZO ARROYO, a.k.a. "Carli," and CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," call "Rafi" and CARLOS GUTIERREZ offers kilograms of cocaine ("beans") to "Rafi" at twenty four thousand (\$24,000) dollars ("24").

92. On May 16, 1997, JULIO ENRIQUE NIEVES NARANJO, a.k.a. "Kikito," calls CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," and tells CARLOS GUTIERREZ that there are some kilograms of cocaine ("little shoes") for twenty three thousand (\$23,000) dollars ("23"). "Kikito" replies that "Tío" (making reference to "Papo") was offering them at "25" and that at that price he could not do anything. "Kikito" says that they will talk to CARLOS GUTIERREZ in person so they don't have to talk by the cellular phone ("yo te veo a ti y hablamos mejor pa no hablar por celular".)

93. On May 17, 1997, CARLOS GUTIERREZ NARANJO, a.k.a. "Canigua," calls LUIS RIVERA ROSARIO, a.k.a. "Negri", who tells CARLOS GUTIERREZ that the van ("guagua") has a good hiding place, that "ten" can fit in one side and "ten" in the other.

94. On May 17, 1997, EVERALDO BURGOS RODRIGUEZ, a.k.a. "Eve," calls an unindicted co-conspirator and offers him kilograms of cocaine at twenty five thousand (\$25,000) dollars and offers him eighths of kilograms of cocaine at thirty five hundred (\$3,500) dollars. "Eve" says that the "large ones" are at "25" and the "eighths" or "small ones" are at "35."

95. On May 18, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls "Canigua," and tells CARLOS GUTIERREZ that "Chuco" wants two (2) kilograms of cocaine. CARLOS GUTIERREZ asks how much and "Negri" says that "Chuco" "wants two."

Indictment

U.S.A. v. Carlos Gutierrez Naranjo, et al.

Page 28

96. On May 18, 1997, MIGUEL IZAGAS CRUZ, a.k.a. "Chuco," calls "Canigua" who offers "Chuco" one kilogram of cocaine (roosters) for twenty three thousand five hundred (\$23,500) dollars ("23 1/2").

97. On May 19, 1997, LUIS RIVERA ROSARIO, a.k.a. "Negri," calls CARLOS GUTIERREZ and tells CARLOS GUTIERREZ that he ("Negri") "is going to pass that through the machine" ("hay que pasarlo en la máquina.") CARLOS GUTIERREZ asks "Negri" who has sold their kilograms of cocaine and who still has kilograms of cocaine which have not been sold. "Negri" responds that "Lito" sold his "three" and "Carli" still had "two" as of a little while ago.

All the foregoing acts, among others, were committed by the defendants and co-conspirators in violation of Title 21, United States Code, Section 846.

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 29

COUNT TWO

On or about July 20, 1997, in Cataño, Puerto Rico and within the jurisdiction of this Court,

**LUIS PEREZ MALDONADO,
a.k.a. "IA,"
and
EMILIO GONZALEZ NUÑEZ,**

the defendants herein, aiding and abetting each other, did knowingly possess a firearm which at some time had been shipped and transported in interstate commerce, to wit: one Astra 9mm pistol, Model P100, from which the manufacturer's serial number had been obliterated or removed. All in violation of Title 18, United States Code, Section 922(k), Section 924 (a)(1) (B) and Section 2.

COUNT THREE

On or about July 20, 1997, in Cataño, Puerto Rico and within the jurisdiction of this Court,

**LUIS PEREZ MALDONADO,
a.k.a. "IA,"
and
EMILIO GONZALEZ NUÑEZ,**

the defendants herein, aiding and abetting each other, did knowingly, willfully, intentionally and unlawfully possess a machinegun as that term is defined in Section 5845(b) of the National Firearms Act, Title 26, United States Code, to wit: one SWD Cobray 9mm automatic pistol, Model 11, Serial Number 84-0001880. All in violation of Title 18, United States Code, Section 922(o), Section 924 (a)(2), and Section 2.

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 30

COUNT FOUR

Title 21, United States Code § 853

Criminal Forfeiture of Real Properties

1. The allegations of Counts One through Count three of this Indictment are realleged and by reference incorporated herein for the purpose of alleging forfeitures, pursuant to the provisions of Title 21, United States Code, Section 853.
2. As a result of the offenses alleged in Counts One through Three, defendants herein,

**FEDERICO NARANJO ROSA,
a.k.a. "Papo,"**
**CARLOS GUTIERREZ NARANJO,
a.k.a. "Canigua,"**
**LUIS A. PEREZ MALDONADO,
a.k.a. "IA,"**
**RUBEN SALAZAR GONZALEZ,
a.k.a. "Vejillo,"**

shall forfeit to the United States all property, real and personal, constituting, or derived from proceeds of these defendants obtained directly or indirectly as the result of such violations.

3. Substitute Assets - In the event any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:
 - (a) cannot be located upon the exercise of due diligence;
 - (b) has been transferred or sold to, or deposited with, a third person;
 - (c) has been placed beyond the jurisdiction of the Court;
 - (d) has been substantially diminished in value; or

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 31

(e) has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853, to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property, including but not limited to the following property, more particularly described as:

1. GG-25 Flor del Valle Ave., Urb. Las Vegas, Bo. Palmas, Cataño, P.R.

ONE URBAN LOT, LOCATED AT NO. #25 LAS VEGAS URBANIZATION, FLOR DEL VALLE SECTOR, BARRIO PALMAS DE CATAÑO, MORE FULLY DESCRIBED AT THE PROPERTY REGISTRY FOR THE COMMON-WEALTH OF PUERTO RICO AS FOLLOWS: URBANA: Solar #25 de la manzana GG de la Urbanización Las Vegas sitio Flor del Valle de Barrio Palmas de Cataño, con un área de 365.43 metros cuadrados y colinda por el: NORTE, en 14.00 metros con Sucesores de Francisco Viejo, SUR, en 10.50 Metros con la calle #19, SURESTE, en 5.50 metros en forma de curva con la intersección de las calles 19 y 1, ESTE, en 22.80 metros con la calle #1, OESTE en 26.28, metros con el solar #24 de la manzana GG. Enclava una casa de una planta de concreto. Inscrita al folio 118 del tomo 61, finca 2909, Sección II de Bayamón.

2. 89 Barbosa Ave., Cataño, P.R.

One urban lot with a two story concrete building, white with pink trim and with a black sign "Los Naranjos Apt." on it.

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 32

3. 52 Las Nereidas Ave., Cataño, PR. (8/11/97)

ONE URBAN LOT, LOCATED AT #52 LAS NEREIDAS AVE., CATAÑO, PUERTO RICO, MORE FULLY DESCRIBED AT THE PROPERTY REGISTRY FOR THE COMMON-WEALTH OF PUERTO RICO AS FOLLOWS: URBANA: Solar en el pueblo de Cataño que mide 18.75 metros de frente y 7.20 metros por su fondo con una cabida superficial de 135.00 metros cuadrados, colinda por el, NORTE, con la zona marítima, ESTE, con Elena Rivera, SUR, con Antonio Ruiz González, OESTE, con Eduardo González Canejas y Ramón Brada. Enclava dos casas de madera, terreras, techada de zinc. Inscrita al folio 97 del tomo 7, finca 468, Sección II de Bayamón.

4. GG-24 Flor del Valle Ave., Urb. Las Vegas, Bo. Palmas, Cataño, P.R.

ONE URBAN LOT, LOCATED AT NO. 24-GG LAS VEGAS URBANIZATION, FLOR DEL VALLE SECTOR, BARRIO PALMAS DE CATAÑO, MORE FULLY DESCRIBED AT THE PROPERTY REGISTRY FOR THE COMMONWEALTH OF PUERTO RICO AS FOLLOWS: URBANA: Solar #24 de la manzana GG de la Urbanización Las Vegas, sitio Flor del Valle Barrio Palmas de Cataño, Puerto Rico, con una cabida superficial de 341.51 metros cuadrados, colinda por el: NORTE, en 13.00 metros con terrenos Sucesión Francisco Viejo, SUR, en 13.00 metros con la calle #19 de la Urbanización Las Vegas, ESTE, en 26.28 metros con el solar #25 de la manzana GG de la Urbanización Las Vegas, OESTE, en 26.26 metros con el solar #23 de la manzana GG de la Urbanización Las Vegas. Enclava una casa de una planta de concreto. Inscrita al folio 147 del tomo 59, finca 2828, Sección II de Bayamón

5. Apt. 3F, Tower II, Isleta Marina Condominium, Fajardo, PR

ONE URBAN LOT, LOCATED AT 3-F ISLETA MARINA TOWER 11 CONDOMINIUM, ISLOTE CAYO OBISPO, FAJARDO, PUERTO RICO, MORE FULLY DESCRIBED AT THE PROPERTY REGISTRY OF THE COMMONWEALTH OF PUERTO RICO AS FOLLOWS: URBANA: PROPIEDAD HORIZONTAL: Apartamento individualizado de concreto armado, bloques de hormigón y divisiones de yeso, de uso

Indictment

U.S.A. v. Carlos Gutiérrez Naranjo, et al.

Page 33

residencial, identificado con el 3-F y localizado en la parte central del 3er. piso de la Torre 11 del Condominio Isleta Marina, ubicada en el Islote Cayo Obispo, Playa de Fajardo, Puerto Rico. Tiene una cabida superficial de 97.34 metros cuadrados aproximadamente y consta de una sala, comedor, una cocina, dos dormitorios, dos baños y dos balcones. La puerta principal está localizada en la parte SUR del inmueble, la cual lo comunica con el pasillo que conduce a los elevadores y a la primera planta. Colinda por el NORTE, en 55'66" (16.92 metros) con el apartamento 3-E, SUR, en 25'6" (7.77 metros) con el apartamento 3-N en 4'6" (1.37 metros) con el pasillo que conduce a los elevadores y en 25'6" (7.77 metros) con el apartamento 3-G, ESTE, en 12'3" (3.73 metros) con el apartamento 3-N y en 12'3" (3.73 metros) con elementos exteriores del edificio, OESTE, en 24'6" (7.46 metros) con elementos exteriores del edificio. Inscrita al folio 196 del tomo 247, finca 9826 de Fajardo.

6. RF 14, Calle Guánica, Marina Bahía, Cataño, P.R.

ONE URBAN LOT, LOCATED AT #14 RF MARINA BAHIA URBANIZATION, PALMAS SECTOR, CATAÑO, PUERTO RICO, MORE FULLY DESCRIBED AT THE PROPERTY REGISTRY FOR THE COMMON WEALTH OF PUERTO RICO AS FOLLOWS: URBANA: Parcela de terreno identificado como solar #14 del bloque RF de la Urbanización Marina Bahía radicada en el Barrio Palmas del término municipal de Cataño, Puerto Rico, con una cabida superficial de 330.00 metros cuadrados y en línes por el, NORTE, en 22.00 metros con el solar #15, SUR, en 22.00 metros con el solar #13, ESTE, en 15.00 metros con la calle #10, OESTE, en 15.00 metros con el solar #17. Enclava una casa de concreto diseñada para una familia. Inscrita al folio 30 del tomo 145 finca 6927 Sección II de Bayamón.

7. BB-10, Urb. Levittown, Bo. Sabana Seca, Toa Baja, P.R.

ONE URBAN LOT, LOCATED AT NO. 10-BB, LEVITOWN URBANIZATION, SABANA SECA SECTOR, TOA BAJA, MORE FULLY

Indictment

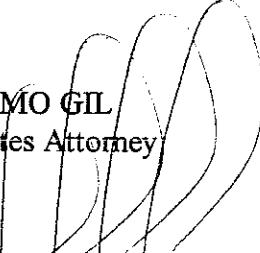
U.S.A. v. Carlos Gutiérrez Naranjo, et al.

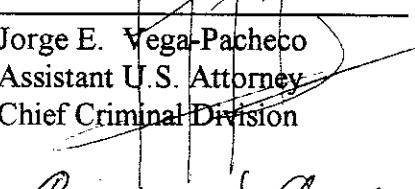
Page 34

DESCRIBED AT THE PROPERTY REGISTRY OF THE COMMONWEALTH OF PUERTO RICO AS FOLLOWS: URBANA: Solar marcado con el #10 del bloque BB situado en la Urbanización Levitown, barrio Sabana Seca de Toa Baja, con un area de 400.23 metros cuadrados, en lines por el: NORTE, en 10.155 metros más 6.449 metros con la Plata Development Corporation, SUR, en 1.208 metros más un arco de 11.717 metros con la calle Doctor Coll y Toste, según plano calle #511, ESTE, en 27.27 metros con el solar #11, OESTE, en 27.00 metros con el solar #9. Enclava una casa de cemento y bloques para una familia. Inscrita al folio 130 del tomo 146, finca 8931, Sección II de Bayamón

All in violation of Title 21 United States Code, Section 853.

FOREPERSON


GUILLERMO GIL
United States Attorney


Jorge E. Vega-Pacheco
Assistant U.S. Attorney
Chief Criminal Division


Carmen D. Colón
Special Assistant U.S. Attorney


Mark A. Irish
Assistant U.S. Attorney

Dated: December 10, 1997